

# A GUIDE TO THE STATE STREET AUSTRALIAN EQUITY FUND

- Remove benchmark constraints
- Better manage risk
- Unhook your return potential



STATE STREET  
GLOBAL ADVISORS®

Link equity portfolio construction with investor objectives  
Be explicit in managing total portfolio risk  
Hold only the most favoured stocks

### Fund Facts<sup>^</sup>

<b>Fund Inception</b>	30 September 2009
<b>Investment Horizon</b>	At least 5 years
<b>Investment Style</b>	Style Neutral, Benchmark Unaware
<b>Investment Universe / Benchmark</b>	S&P/ASX 300 Index
<b>Management Fee</b>	0.79% (capped at August 2013)
<b>Performance Fee</b>	None
<b>Frequency of Distribution</b>	Half-Yearly
<b>Number of Holdings</b>	Typically 50–100 stocks
<b>Minimum Investment</b>	Invest directly, with a minimum investment of AUD \$25,000, or indirectly through a platform
<b>APIR Code</b>	SST0048AU

### Glossary

**Volatility** A statistical measure of the fluctuations of a security's price. Generally high volatility can be an indication of higher risk.

**Drawdown** The potential loss or decline of an investment.

## About the Fund

State Street Global Advisors (SSGA) has designed an active Australian equity solution that aims to put investors' primary objectives at the centre of portfolio construction. Rather than building portfolios around the stock weights represented in the benchmark index, this approach explores the market's full opportunity set, constructing a portfolio based on the stocks' total return and total risk characteristics. This means instead of constructing a portfolio relative to the benchmark, the Fund focuses on maximizing return and minimising total portfolio risk.

## Investment Objective

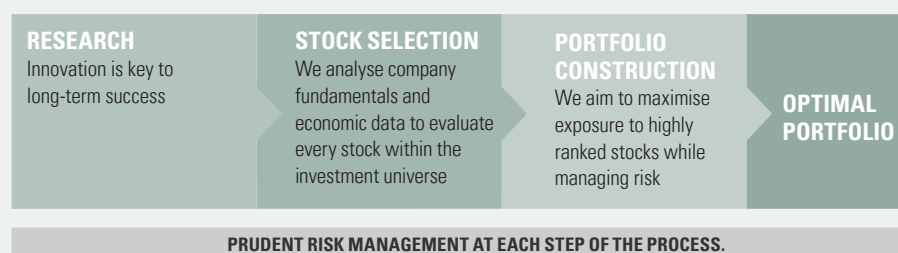
The Fund's objective is to deliver strong total returns whilst managing total risk as assessed by volatility. The Fund aims to:

- Deliver higher returns relative to the equity market
- Reduce the impact of market volatility and drawdowns

## Investment Philosophy

- Markets are **not efficient** due to behavioural biases and limits to arbitrage — leading to opportunities for excess return
- A strong emphasis on **economic rationale**, vetted by rigorous research is critical to ensure successful outcomes
- Our insights must be drawn from a **wide investment universe** with a **robust** and **systematic investment process**.

## Investment Process



## Reasons to Invest

### Capital Growth

Proprietary active stock selection and an explicit focus on risk management have the potential to deliver strong capital appreciation over a full market cycle.

### Drawdown Reduction

Explicit focus on risk management at multiple stages in the investment process aims to help cushion the portfolio from market declines.

### Intuitive Investment Approach

The approach looks for high quality companies at an attractive price point, whilst appropriately managing the resulting exposure to risk. Positions in stocks are not dictated by weights in the underlying benchmark. Attractive stocks are held at a meaningful weight and unattractive stocks are not held, regardless of their weighting in the benchmark.

## What to Be Aware of

- **Market Risk** is the risk that the value of the Fund's investment portfolio will fluctuate as a result of changes in market prices.
- **Individual Company or Security Risk** is the risk that individual assets of the Fund may fluctuate in value due to specific circumstances applicable to the relevant assets.
- **Investment Strategy Risk:** is the risk that the Fund's investment strategy will fail to perform as expected in which case the Investment Manager's investment objective for the Fund may not be achieved.

Please refer to the PDS for a full list of potential risks linked to the Fund.

## WHY INVEST IN SSGA



400 investment professionals globally, 2800+ employees around the world^



AUD\$157.3 billion in assets under management with SSGA Australia^



Extensive experience and resources in Sydney, London, Paris, Hong Kong and Boston.

<sup>^</sup>As at September 30, 2017.

## Meet the Managers



**Olivia Engel, CFA**  
*Global CIO, Active Quantitative Equities*

Responsible for portfolio management, research and development globally.



**Toby Warburton, CFA, Ph.D.**  
*Head of Active Quantitative Equities, Asia Pacific & EMEA*

Responsible for portfolio management, research and development for the region.



**Bruce Apted**  
*Senior Portfolio Manager*

Responsible for managing Australian and Asia-Pacific equity portfolios and conducting research into the strategies.

## About Us

For nearly four decades, State Street Global Advisors has been committed to helping our clients, and those who rely on them, achieve their investment objectives. We partner with many of the world's largest, most sophisticated investors and financial intermediaries to help them reach their goals through a rigorous, research-driven investment process spanning both indexing and active disciplines. With trillions\* in assets under management, our scale and global reach offer clients access to markets, geographies and asset classes, and allow us to deliver thoughtful insights and innovative solutions.

*State Street Global Advisors is the investment management arm of State Street Corporation.*

\* Assets under management were US\$2.67 trillion as of September 30, 2017. AUM reflects approx. US\$36.00 billion (as of September 30, 2017) with respect to which State Street Global Advisors Funds Distributors, LLC serves as marketing agent; State Street Global Advisors Funds Distributors, LLC and State Street Global Advisors are affiliated. LLC and State Street Global Advisors are affiliated.

## Contact Us

If our Managed Fund Sales team can be of assistance, please call +1 300 382 689 or email [managedfunds@ssga.com](mailto:managedfunds@ssga.com).

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References to the State Street Australian Equity Fund ("the Fund") in this document are references to the managed investment scheme domiciled in Australia, promoted by SSGA Australia, in respect of which SSGA, ASL is the Responsible Entity.

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Actively managed funds do not seek to replicate the performance of a specified index. The fund is actively managed and may underperform its benchmarks. An investment in the Fund is not appropriate for all investors and is not intended to be a complete investment program. Investing in the Fund involves risks, including the risk that investors may receive little or no return on the investment or that investors may lose part or even all of the investment.

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